

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TENNESSEE
NORTHERN DIVISION**

IN RE:

REGAL PETROLEUM COMPANY, INC.

No. 3:16-bk-33660-SHB
CHAPTER 11

Debtor.

**EMERGENCY MOTION TO ALLOW PAYMENT OF PREPETITION DEBT
OWED TO CRITICAL VENDORS**

NOTICE OF EMERGENCY HEARING

Notice is hereby given that:

A hearing will be held on this matter on the **14th day of December, 2016 at 10:00 a.m.**, in Courtroom 1-C, located at the Howard H. Baker, Jr. U.S. Courthouse, 800 Market Street, Knoxville, TN 37902.

If you do not want the court to grant the relief requested, you or your attorney must attend this hearing. If you do not attend the hearing, the court may decide that you do not oppose the relief sought in the application and may enter an order granting that relief.

Debtor Regal Petroleum Company, Inc. (the "Debtor"), by and through counsel, moves this Honorable Court pursuant to 11 U.S.C. §105(a) for authority to pay certain prepetition debts owing to vendors whose continued relationship with the Debtor is critical to the ability of the Debtor to continue operations. For cause, the Debtor represents the following:

1. The Debtor commenced this case by filing a petition under Chapter 11 of the Bankruptcy Code on December 12, 2016.

2. The Debtor is operating its business and managing its properties as debtor-in-possession.

3. The Debtor is an energy logistics company that purchases, gathers, transports and markets crude oil and natural gas liquids to large marketers and end users. It also transloads product from rail to truck for delivery to markets.

4. The Debtor's gross revenues annually are between \$30,000,000 and \$35,000,000. A substantial majority of these revenues are paid out as cost of goods sold.

5. The Debtor estimates it has \$2,500,000 annually with which to conduct its operations.

6. The value of the Debtor's tangible assets is approximately \$1,337,000.

7. The Debtor estimates its prepetition claims to be approximately \$1,563,230.

8. The Debtor estimates its going concern value to be approximately \$5,000,000.

9. In order to continue its business postpetition, the Debtor must maintain the ability to transport oil and natural gas. Transportation of oil and natural gas is the primary business of the Debtor.

10. The Debtor leases many of its trucks and trailers. The maintenance of its ability to transport the oil and natural gas is clearly crucial to the business. Without the ability to transport oil and natural gas, the Debtor will be required to cease operations.

11. It is expected that the lessors of the trucks and trailers will take the trucks and trailers from the Debtor and refuse to continue to allow the lease of the trucks and trailers by the Debtor if prepetition debt is not paid.

12. If the Debtor's ability to transport is ended as a result of not having trucks and trailers available, the Debtor will be unable to reorganize.

13. The Debtor cannot have interruptions in its business, as its suppliers and purchasers will move to other companies. The continued timely flow of crude oil and natural gas is critical.

14. In order to maintain its current leases, the Debtor seeks to pay the following vendors:

- a. Worldwide Equipment, \$100,000, to be paid in 5 monthly installments of \$20,000.
- b. Webb Trailer, \$6,000, to be paid in 2 monthly installments of \$3,000.
- c. Fleet Pride, \$4,000, to be paid in 2 monthly installments of \$2,000.

15. The Debtor will make no payments until such time as the vendor agrees in writing to these terms.

RESPECTFULLY SUBMITTED this 12th day of December, 2016.

/s/Keth L. Edmiston
Keith L. Edmiston
EDMISTON FOSTER
P. O. Box 30782
Knoxville, TN 37930
(865) 248-6038
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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing Motion has been served on the attorney for the U.S. Trustee, the Assistant U.S. Attorney for the Eastern District of Tennessee, the Internal Revenue Service, all parties requesting notice, all secured creditors, and all other creditors, all as identified below and in the manner indicated below, electronically via ECF or by first-class mail, properly addressed and proper postage prepaid, and by facsimile/e-mail, on this the 12th day of December, 2016:

/s/Keith L. Edmiston

U.S. Trustee
800 Market Street, Ste. 114
Knoxville, TN 37902
[ECF]

Internal Revenue Service
Centralized Insolvency Operations
PO Box 7346
Philadelphia, PA 19101-7346
[Fax and USM]

Kenny Saffles, Esq.
Office of the U.S. Attorney
800 Market St Ste 211
Knoxville, TN 37902-2342
[E-Mail and USM]

Knox County Trustee
PO Box 70
Knoxville, TN 37901-0070
[Fax and USM]

City of Knoxville
Revenue Enforcement
P. O. Box 1028
Knoxville, TN 37901-1028
[Fax and USM]

Internal Revenue Service
IRS Insolvency
801 Broadway
Nashville, TN 37203
[Fax and USM]

Kentucky Department of Revenue
501 High Street
Frankfort, KY 40601
[Fax and USM]

Peoples Bank of the South
106 W. Central Ave.
LaFollette, TN 37766
[Fax and USM]

Vinland Energy
2704 Old Rosebud Road
Ste. 320
Lexington, KY 40509
[Fax and USM]

Merchant Cash & Capital
460 Park Ave. 10FI
New York, NY 10016
[E-Mail and USM]

Heil Trailer
3808 Bells Lane
Louisville, KY 40211
[Fax and USM]

Palmer Leasing
2575 Tobey Dr.
Indianapolis, IN 46219
[Fax and USM]

Post Trailer Repairs
1905 Sutherland Ave.
Knoxville, TN 37921
[Fax and USM]

Webb Trailer
P.O. Box 907
Catlettsburg, KY 41129
[Fax and USM]

Worldwide Equipment
107 WE Dr.
Prestonsburg, KY 41653
[Fax and USM]

First Volunteer Bank
728 Broad St.
Chattanooga, TN 37402
[Fax and USM]

Fleet Pride
4539 Rutledge Pike
Knoxville, TN 37914
[Fax and USM]